

ND TEACHERS FUND FOR RETIREMENT
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2002

	December-02				September-02				Current Fiscal YTD	Prior Year FY02	3 Years Ended 6/30/2002	5 Years Ended 6/30/2002
	Allocation		Quarter		Allocation		Quarter					
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	Net	Net
LARGE CAP DOMESTIC EQUITY												
<i>Structured Growth</i>												
AllianceBernstein	20,988,434	2.0%	2.3%	3.03%	20,505,017	2.0%	2.3%	-13.56%	-10.94%	-28.98%	-16.11%	N/A
<i>Russell 1000 Growth</i>				7.15%				-15.05%	-8.98%	-26.49%	-16.15%	N/A
<i>Structured Value</i>												
LSV	49,089,958	4.6%	4.5%	6.44%	46,409,231	4.6%	4.5%	-18.29%	-13.03%	2.72%	5.54%	N/A
<i>Russell 1000 Value</i>				9.22%				-18.77%	-11.28%	-8.96%	-4.87%	N/A
<i>Enhanced Russell 1000 Index</i>												
LA Capital (Wilshire)	46,753,950	4.4%	4.5%	6.92%	44,024,480	4.4%	4.5%	-16.27%	-10.48%	-17.00%	N/A	N/A
<i>Russell 1000</i>				8.16%				-16.91%	-10.13%	-17.89%	N/A	N/A
<i>Enhanced S&P 500 Index</i>												
Northern Trust	45,694,064	4.3%	4.5%	8.10%	42,552,156	4.2%	4.5%	-16.71%	-9.96%	-16.98%	N/A	N/A
Strong	46,239,413	4.4%	4.5%	10.08%	42,278,303	4.2%	4.5%	-16.75%	-8.35%	-20.23%	N/A	N/A
Westridge	56,870,982	5.4%	4.5%	8.52%	52,967,137	5.3%	4.5%	-17.19%	-10.13%	-17.54%	N/A	N/A
Total Enhanced S&P 500 Index	148,804,459	14.1%	13.5%	8.87%	137,797,596	13.7%	13.5%	-16.88%	-9.50%	-18.23%	N/A	N/A
<i>S&P 500</i>				8.44%				-17.28%	-10.30%	-17.98%	N/A	N/A
<i>S&P 500 Index</i>												
State Street	54,491,069	5.2%	5.3%	8.45%	47,996,287	4.8%	5.3%	-17.26%	-10.27%	-17.96%	-9.14%	3.67%
<i>S&P 500</i>				8.44%				-17.28%	-10.30%	-17.98%	-9.18%	3.67%
TOTAL LARGE CAP DOMESTIC EQUITY	320,127,870	30.3%	30.0%	7.69%	296,732,611	29.5%	30.0%	-16.78%	-10.38%	-17.13%	-9.48%	2.68%
<i>S&P 500</i>				8.44%				-17.28%	-10.30%	-17.98%	-9.18%	3.67%
SMALL CAP DOMESTIC EQUITY												
<i>Manager-of-Managers</i>												
SEI	101,226,756	9.6%	10.0%	5.19%	95,770,485	9.5%	10.0%	-19.10%	-14.90%	-11.87%	N/A	N/A
<i>Russell 2000 + 200bp</i>				6.66%				-20.90%	-15.63%	-6.68%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	101,226,756	9.6%	10.0%	5.19%	95,770,485	9.5%	10.0%	-19.10%	-14.90%	-11.87%	1.18%	1.95%
<i>Russell 2000</i>				6.16%				-21.40%	-16.56%	-8.59%	1.67%	4.44%
INTERNATIONAL EQUITY												
<i>Large Cap - Core</i>												
State Street	39,253,302	3.7%	4.0%	4.11%	34,143,227	3.4%	4.0%	-19.99%	-16.70%	-11.74%	-6.76%	-2.26%
<i>MSCI EAFE - 50% Hedged</i>				4.04%				-20.02%	-16.79%	-14.62%	-5.75%	0.27%
<i>Large Cap - Active</i>												
Capital Guardian	100,621,236	9.5%	10.0%	7.35%	89,027,456	8.8%	10.0%	-21.50%	-15.72%	-13.17%	-1.00%	5.76%
Bank of Ireland	20,528,497	1.9%	2.0%	7.13%	19,262,251	1.9%	2.0%	-21.60%	-16.01%	N/A	N/A	N/A
Total Large Cap - Active	121,149,733	11.5%	12.0%	7.31%	108,289,707	10.8%	12.0%	-21.51%	-15.77%	-12.19%	-0.63%	6.00%
<i>MSCI EAFE - 50% Hedged</i>				4.04%				-20.02%	-16.79%	-14.62%	-5.75%	0.27%
<i>Small Cap - Active</i>												
Lazard	22,000,933	2.1%	2.0%	3.95%	21,591,198	2.1%	2.0%	-17.39%	-14.12%	N/A	N/A	N/A
Wellington	21,961,971	2.1%	2.0%	7.10%	20,707,908	2.1%	2.0%	-17.35%	-11.48%	N/A	N/A	N/A
Total Small Cap - Active	43,962,904	4.2%	4.0%	5.49%	42,299,106	4.2%	4.0%	-17.37%	-12.83%	N/A	N/A	N/A
<i>SSB BROAD MARKET INDEX < \$2BN</i>				1.85%				-15.30%	-13.74%	N/A	N/A	N/A
TOTAL INTERNATIONAL EQUITY	204,365,939	19.3%	20.0%	6.24%	184,732,040	18.4%	20.0%	-20.31%	-15.34%	-10.49%	-2.94%	2.40%
<i>MSCI EAFE - 50% Hedged</i>				4.04%				-20.02%	-16.79%	-14.62%	-5.75%	0.27%
EMERGING MARKETS EQUITY												
Capital Guardian	53,915,223	5.1%	5.0%	11.72%	48,261,472	4.8%	5.0%	-16.68%	-6.91%	-5.69%	-5.69%	-6.04%
<i>MSCI Emerging Markets Free</i>				10.04%				-16.30%	-7.90%	1.30%	-6.34%	-8.42%
DOMESTIC FIXED INCOME												
<i>Core Bond</i>												
Western Asset	10,221,994	1.0%	1.1%	2.49%	11,090,622	1.1%	1.1%	3.66%	6.24%	8.87%	8.93%	8.26%
<i>Lehman Aggregate</i>				1.57%				4.58%	6.22%	8.62%	8.10%	7.57%
<i>Active Duration</i>												
Criterion	10,194,930	1.0%	1.1%	2.69%	10,931,445	1.1%	1.1%	2.57%	5.34%	6.00%	7.60%	7.09%
<i>Lehman Aggregate</i>				1.57%				4.58%	6.22%	8.62%	8.10%	7.57%

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	December-02				September-02				Current	Prior Year	3 Years	5 Years
	Allocation		Quarter		Allocation		Quarter		Fiscal YTD	FY02	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2002	6/30/2002
Index												
Bank of ND	12,181,504	1.2%	0.8%	1.40%	13,187,654	1.3%	0.8%	5.96%	7.44%	9.56%	8.03%	7.55%
Bank of ND Match Loan CD Program	9,591,548	0.9%	0.9%	1.43%	9,572,281	1.0%	1.0%	1.44%	2.90%	5.79%	5.86%	5.90%
Total Index	21,773,052	2.1%	1.8%	1.38%	22,759,935	2.3%	1.8%	4.78%	6.23%	9.68%	7.81%	7.47%
Lehman Gov/Credit				1.73%				5.70%	7.52%	8.24%	7.85%	7.47%
Convertibles												
TCW	10,316,074	1.0%	1.1%	8.32%	9,817,880	1.0%	1.1%	-9.90%	-2.41%	-21.20%	-2.06%	N/A
First Boston Convertible Index				9.83%				-8.56%	0.43%	-12.44%	0.11%	N/A
BBB Average Quality												
Strong	10,387,053	1.0%	1.1%	4.11%	10,832,203	1.1%	1.1%	0.39%	4.51%	3.16%	6.83%	N/A
Lehman BBB				4.59%				2.70%	7.42%	5.85%	4.75%	N/A
Timberland												
Evergreen (Wachovia)	9,179,043	0.9%	0.9%	3.15%	7,873,179	0.8%	0.8%	-0.22%	2.92%	N/A	N/A	N/A
										N/A	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	72,072,147	6.8%	7.0%	3.36%	73,305,265	7.3%	7.0%	0.71%	4.10%	2.56%	6.70%	6.56%
Lehman Aggregate				1.57%				4.58%	6.22%	8.62%	8.10%	7.57%
HIGH YIELD BONDS												
Western Asset	78,455,727	7.4%	7.0%	7.64%	80,966,050	8.0%	7.0%	-3.24%	4.15%	-6.08%	-3.89%	4.16%
Lehman High Yield Bond Index				6.74%				-2.93%	3.61%	-3.60%	-2.31%	0.68%
INTERNATIONAL FIXED INCOME												
International Core												
UBS Global (Brinson)	54,996,136	5.2%	5.0%	6.06%	58,388,782	5.8%	5.0%	2.39%	8.60%	16.83%	2.39%	2.43%
Salomon Brothers Non-US Gov't Bond Index				6.06%				2.84%	9.08%	15.72%	3.14%	3.03%
REAL ESTATE												
JMB	62,368			-1.27%	1,034,424			1.94%	0.64%	0.92%	1.25%	7.60%
INVECO	60,467,094			-0.41%	61,479,744			3.78%	3.35%	2.61%	7.70%	N/A
J.P. Morgan	46,287,042			1.90%	45,423,753			1.64%	3.58%	4.10%	9.60%	11.72%
TOTAL REAL ESTATE	106,816,504	10.1%	9.0%	0.65%	107,937,921	10.7%	9.0%	2.78%	3.45%	3.35%	8.64%	9.66%
NCREIF TOTAL INDEX				1.67%				1.65%	3.34%	6.79%	9.41%	11.96%
ALTERNATIVE INVESTMENTS												
Brinson IVCF III	1,508,090			-16.43%	1,804,611			7.46%	-10.19%	61.30%	112.32%	65.03%
Coral Partners V	10,761,099			-7.89%	10,994,013			-17.47%	-23.98%	-46.32%	-3.46%	N/A
Coral Partners V - Supplemental	665,192			-11.88%	767,748			-14.17%	-24.37%	N/A	N/A	N/A
Coral Partners VI	781,393			-21.31%	635,965			N/A	N/A	N/A	N/A	N/A
Brinson 1998 Partnership Fund	1,964,632			-7.89%	2,244,859			-3.97%	-11.55%	-15.23%	8.66%	N/A
Brinson 1999 Partnership Fund	2,493,336			-6.50%	2,536,763			-4.67%	-10.86%	-21.70%	-0.85%	N/A
Brinson 2000 Partnership Fund	3,621,669			-1.66%	3,318,861			-6.93%	-8.48%	-14.95%	N/A	N/A
Brinson 2001 Partnership Fund	1,023,467			-1.33%	1,064,380			-1.08%	-2.40%	-6.22%	N/A	N/A
Brinson 2002 Partnership Fund	686,322			-2.74%	717,702			0.15%	-2.59%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,237,412			-2.36%	1,192,303			12.07%	9.43%	-7.68%	-3.51%	N/A
Brinson 2000 Non-US Partnership Fund	1,046,248			-0.81%	948,421			7.00%	6.13%	-6.51%	N/A	N/A
Brinson 2001 Non-US Partnership Fund	451,303			-1.54%	466,207			-1.47%	-2.99%	-4.85%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	930,626			-0.33%	364,209			N/A	N/A	N/A	N/A	N/A
Brinson BVCF IV	6,425,520			-9.29%	7,204,393			-2.76%	-11.79%	-29.16%	-17.06%	N/A
Matlin Patterson Global Opportunities	10,629,900			0.00%	9,539,477			N/A	N/A	N/A	N/A	N/A
InvestAmerica	882,502			3.02%	953,948			31.25%	35.21%	N/A	N/A	N/A
Hearthstone	4,219,682			3.48%	4,972,366			11.34%	15.21%	4.99%	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS	49,328,393	4.7%	5.0%	-3.56%	49,726,227	4.9%	5.0%	-6.36%	-9.69%	-26.09%	10.16%	10.85%
Post Venture Capital Index				15.43%				-22.64%	-10.71%	-44.30%	-26.03%	-6.83%
CASH EQUIVALENTS												
Northern Trust STIF/STEP	16,432,298	1.6%	2.0%	0.42%	10,493,259	1.0%	2.0%	0.68%	1.11%	2.29%	4.72%	5.01%
90 Day T-Bill				0.43%				0.45%	0.88%	2.63%	4.67%	4.84%
TOTAL FUND	1,057,736,993	100.00%	100.00%	5.35%	1,006,314,110	100.00%	100.00%	-11.98%	-7.27%	-8.88%	-1.83%	3.68%
POLICY TARGET BENCHMARK				6.44%				-13.11%	-7.52%	-9.26%	-3.00%	3.29%

NOTE: Monthly returns and market values are preliminary and subject to change.